

AMENDED IN SENATE MARCH 26, 2015

**SENATE BILL**

**No. 329**

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**Introduced by Senator Mendoza**

February 23, 2015

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An act to amend ~~Section 41010~~ Sections 47605 and 47605.6 of the Education Code, and to amend Section 20110 of the Public Contract Code, relating to ~~school finance~~; charter schools.

LEGISLATIVE COUNSEL'S DIGEST

SB 329, as amended, Mendoza. ~~School finance; accounting~~. Charter schools: petition denials: competitive bidding.

(1) Existing law, the Charter Schools Act of 1992 (the Charter Schools Act), specifies the petition process for the establishment of a charter school within a school district. As part of that process, the Charter Schools Act requires, no later than 30 days after receiving a petition, the governing board of a school district to hold a public hearing on the provisions of the charter, at which time the governing board of the school district is required to consider the level of support for the petition by teachers employed by the school district, other employees of the school district, and parents.

This bill would require the governing board of a school district to also consider a report assessing whether school district staff has the capacity to conduct oversight of the charter school described in the petition and a report of the anticipated financial and educational impact on the other schools that the governing board of the school district has oversight obligations for. By imposing additional duties on school district officials, the bill would impose a state-mandated local program.

(2) The Charter Schools Act prohibits the governing board of a school district from denying a petition for the establishment of a charter school

*unless it makes written factual findings, specific to the particular petition, to support one or more specific findings, including, among others, that the petition lacks the requisite number of signatures or that the charter school presents an unsound educational program. If the governing board of the school district denies the petition, the Charter Schools Act authorizes the petitioners to elect to submit the petition to the county board of education, and if the county board of education denies the petition, to submit the petition to the State Board of Education, and requires the county board of education and the state board to review the petition pursuant to the provisions applicable to the governing board of a school district.*

*This bill would add having a negative fiscal impact on the school district to the list of specific findings sufficient to authorize the governing board of a school district to deny a petition, as provided.*

*(3) The Charter Schools Act specifies a separate petition process for the establishment of a countywide charter school. As part of that separate process, the Charter Schools Act requires, no later than 60 days after receiving a petition, a county board of education to hold a public hearing on the provisions of the charter, at which time the county board of education is required to consider the level of support for the petition by teachers, parents or guardians, and the school districts where the charter school petitioner proposes to place school facilities.*

*This bill would require a county board of education to also consider a report assessing whether county office of education staff has the capacity to conduct oversight of the charter school described in the petition and a report of the anticipated financial and educational impact on the other schools that the governing board of a school district has oversight obligations for. By imposing additional duties on county boards of education, the bill would impose a state-mandated local program.*

*(4) The Charter Schools Act requires a county board of education to deny a petition for the establishment of a countywide charter school if it makes certain findings, including, among others, that the petition lacks the requisite number of signatures or that the charter school presents an unsound educational program. The Charter Schools Act also specifies a separate petition process for the establishment of a state charter school whereby the petition is submitted directly to the State Board of Education, and authorizes the state board to deny a petition for any of the reasons that require a county board of education to deny a petition.*

*This bill would require a county board of education to, and would thus authorize the state board to, deny a petition if it finds that the charter school would have a negative financial impact on a school district, as provided. To the extent this bill would impose additional duties on a county board of education, the bill would impose a state-mandated local program.*

*(5) Existing law, the Local Agency Public Construction Act (the act), sets forth the requirements for competitive bidding on various types of contracts awarded by state and local agencies, including a school district. The act requires, among other things, the governing board of a school district to let contracts for the purchase of equipment, materials, or supplies to be furnished, leased, or sold to the school district, services other than construction services, and certain repairs, involving an expenditure of more than \$50,000, and to let contracts for public projects, as defined, involving an expenditure of \$15,000 or more, to the lowest responsible bidder who gives security as the governing board of the school district requires.*

*This bill would apply the provisions of the act applicable to school districts to charter schools. By imposing additional duties on charter school officials, the bill would impose a state-mandated local program.*

*(6) This bill also would update references and make other nonsubstantive changes.*

*(7) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.*

~~Existing law requires the accounting system used to record the financial affairs of any school district to be in accordance with the definitions, instructions, and procedures published in the California School Accounting Manual as approved by the State Board of Education and furnished by the Superintendent of Public Instruction.~~

~~This bill would make nonsubstantive changes to these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

1     **SECTION 1.** *Section 47605 of the Education Code is amended*  
2 *to read:*

3     47605. (a) (1) Except as set forth in paragraph (2), a petition  
4 for the establishment of a charter school within a school district  
5 may be circulated by one or more persons seeking to establish the  
6 charter school. A petition for the establishment of a charter school  
7 shall identify a single charter school that will operate within the  
8 geographic boundaries of that school district. A charter school  
9 may propose to operate at multiple sites within the school district,  
10 as long as each location is identified in the charter school petition.

11 The petition may be submitted to the governing board of the school  
12 district for review after either of the following conditions is met:

13     (A) The petition is signed by a number of parents or legal  
14 guardians of pupils that is equivalent to at least one-half of the  
15 number of pupils that the charter school estimates will enroll in  
16 the *charter* school for its first year of operation.

17     (B) The petition is signed by a number of teachers that is  
18 equivalent to at least one-half of the number of teachers that the  
19 charter school estimates will be employed at the *charter* school  
20 during its first year of operation.

21     (2) A petition that proposes to convert an existing public school  
22 to a charter school that would not be eligible for a loan pursuant  
23 to subdivision-~~(b)~~ (c) of Section 41365 may be circulated by one  
24 or more persons seeking to establish the charter school. The petition  
25 may be submitted to the governing board of the school district for  
26 review after the petition is signed by not less than 50 percent of  
27 the permanent status teachers currently employed at the public  
28 school to be converted.

29     (3) A petition shall include a prominent statement that a  
30 signature on the petition means that the parent or legal guardian  
31 is meaningfully interested in having his or her child or ward attend  
32 the charter school, or in the case of a teacher's signature, means  
33 that the teacher is meaningfully interested in teaching at the charter  
34 school. The proposed charter shall be attached to the petition.

35     (4) After receiving approval of its petition, a charter school that  
36 proposes to establish operations at one or more additional sites  
37 shall request a material revision to its charter and shall notify the  
38 authority that granted its charter of those additional locations. The

1 authority that granted its charter shall consider whether to approve  
2 those additional locations at an open, public meeting. If the  
3 additional locations are approved, ~~they~~ *there* shall be a material  
4 revision to the charter school's charter.

5 (5) A charter school that is unable to locate within the  
6 jurisdiction of the chartering school district may establish one site  
7 outside the boundaries of the school district, but within the county  
8 in which that school district is located, if the school district within  
9 the jurisdiction of which the charter school proposes to operate is  
10 notified in advance of the charter petition approval, the county  
11 superintendent of schools and the Superintendent are notified of  
12 the location of the charter school before it commences operations,  
13 and either of the following circumstances exists:

14 (A) The school has attempted to locate a single site or facility  
15 to house the entire program, but a site or facility is unavailable in  
16 the area in which the school chooses to locate.

17 (B) The site is needed for temporary use during a construction  
18 or expansion project.

19 (6) Commencing January 1, 2003, a petition to establish a charter  
20 school ~~may~~ *shall* not be approved to serve pupils in a grade level  
21 that is not served by the school district of the governing board  
22 considering the petition, unless the petition proposes to serve pupils  
23 in all of the grade levels served by that school district.

24 (b) No later than 30 days after receiving a petition, in accordance  
25 with subdivision (a), the governing board of the school district  
26 shall hold a public hearing on the provisions of the charter, at  
27 which time the governing board of the school district shall ~~consider~~  
28 *consider: (A) the level of support for the petition by teachers*  
29 *employed by the school district, other employees of the school*  
30 *district, and parents. parents, (B) a report assessing whether school*  
31 *district staff has the capacity to conduct oversight of the charter*  
32 *school described in the petition, and (C) a report of the anticipated*  
33 *financial and educational impact on the other schools that the*  
34 *governing board of the school district has oversight obligations*  
35 *for. Following review of the petition and the reports and after the*  
36 *public hearing, the governing board of the school district shall*  
37 *either grant or deny the charter within 60 days of receipt of the*  
38 *petition, provided, however, that the date may be extended by an*  
39 *additional 30 days if both parties agree to the extension. In*  
40 *reviewing petitions for the establishment of charter schools*

1 pursuant to this section, the chartering authority shall be guided  
2 by the intent of the Legislature that charter schools are and should  
3 become an integral part of the California educational system and  
4 that *the* establishment of charter schools should be encouraged.  
5 The governing board of the school district shall grant a charter for  
6 the operation of a *charter* school under this part if it is satisfied  
7 that granting the charter is consistent with sound educational  
8 practice. The governing board of the school district shall not deny  
9 a petition for the establishment of a charter school unless it makes  
10 written factual findings, specific to the particular petition, setting  
11 forth specific facts to support one or more of the following  
12 findings:

13 (1) The charter school presents an unsound educational program  
14 for the pupils to be enrolled in the charter school.

15 (2) The petitioners are demonstrably unlikely to successfully  
16 implement the program set forth in the petition.

17 (3) The petition does not contain the number of signatures  
18 required by subdivision (a).

19 (4) The petition does not contain an affirmation of each of the  
20 conditions described in subdivision (d).

21 (5) *The charter school would have a negative fiscal impact on*  
22 *the school district. For purposes of this paragraph, the finding*  
23 *that a charter school would have a negative fiscal impact on a*  
24 *school district shall only be established, and shall be deemed to*  
25 *be established, if any of the following conditions are met:*

26 (A) *The school district has received a negative financial*  
27 *certification pursuant to Section 42131.*

28 (B) *The school district has received an emergency*  
29 *apportionment or loan and is operating under the oversight of a*  
30 *state-appointed administrator or trustee pursuant to Article 2*  
31 *(commencing with Section 41320) of, or Article 2.5 (commencing*  
32 *with Section 41325) of, Chapter 3 of Part 24 of Division 3.*

33 (C) *The school district, due to declining enrollment of pupils,*  
34 *is in the process of closing a school that the charter petition has*  
35 *identified as a proposed schoolsite for the charter school and the*  
36 *school district has received a qualified financial certification*  
37 *pursuant to Section 42131 or would receive a qualified financial*  
38 *certification pursuant to Section 42131 if the charter petition is*  
39 *approved.*

40 ~~(5)~~

1 (6) The petition does not contain reasonably comprehensive  
2 descriptions of all of the following:

3 (A) (i) A description of the educational program of the *charter*  
4 school, designed, among other things, to identify those whom the  
5 *charter* school is attempting to educate, what it means to be an  
6 “educated person” in the 21st century, and how learning best  
7 occurs. The goals identified in that program shall include the  
8 objective of enabling pupils to become self-motivated, competent,  
9 and lifelong learners.

10 (ii) A description, for the charter school, of annual goals, for  
11 all pupils and for each subgroup of pupils identified pursuant to  
12 Section 52052, to be achieved in the state priorities, as described  
13 in subdivision (d) of Section 52060, that apply for the grade levels  
14 served, or the nature of the program operated, by the charter school,  
15 and specific annual actions to achieve those goals. A charter  
16 petition may identify additional school priorities, the goals for the  
17 school priorities, and the specific annual actions to achieve those  
18 goals.

19 (iii) If the proposed *charter* school will serve high school pupils,  
20 a description of the manner in which the charter school will inform  
21 parents about the transferability of courses to other public high  
22 schools and the eligibility of courses to meet college entrance  
23 requirements. Courses offered by the charter school that are  
24 accredited by the Western Association of Schools and Colleges  
25 may be considered transferable and courses approved by the  
26 University of California or the California State University as  
27 creditable under the “A” to “G” admissions criteria may be  
28 considered to meet college entrance requirements.

29 (B) The measurable pupil outcomes identified for use by the  
30 charter school. “Pupil outcomes,” for purposes of this part, means  
31 the extent to which all pupils of the *charter* school demonstrate  
32 that they have attained the skills, knowledge, and attitudes specified  
33 as goals in the *charter* school’s educational program. Pupil  
34 outcomes shall include outcomes that address increases in pupil  
35 academic achievement both schoolwide and for all groups of pupils  
36 served by the charter school, as that term is defined in subparagraph  
37 (B) of paragraph (3) of subdivision (a) of Section 47607. The pupil  
38 outcomes shall align with the state priorities, as described in  
39 subdivision (d) of Section 52060, that apply for the grade levels  
40 served, or the nature of the program operated, by the charter school.

1 (C) The method by which pupil progress in meeting those pupil  
2 outcomes is to be measured. To the extent practicable, the method  
3 for measuring pupil outcomes for state priorities shall be consistent  
4 with the way information is reported on a school accountability  
5 report card.

6 (D) The governance structure of the *charter* school, including,  
7 but not limited to, the process to be followed by the *charter* school  
8 to ensure parental involvement.

9 (E) The qualifications to be met by individuals to be employed  
10 by the *charter* school.

11 (F) The procedures that the *charter* school will follow to ensure  
12 the health and safety of pupils and staff. These procedures shall  
13 include the requirement that each employee of the *charter* school  
14 furnish ~~the school~~ *it* with a criminal record summary as described  
15 in Section 44237.

16 (G) The means by which the *charter* school will achieve a racial  
17 and ethnic balance among its pupils that is reflective of the general  
18 population residing within the territorial jurisdiction of the school  
19 district to which the charter petition is submitted.

20 (H) Admission requirements, if applicable.

21 (I) The manner in which annual, independent financial audits  
22 shall be conducted, which shall employ generally accepted  
23 accounting principles, and the manner in which audit exceptions  
24 and deficiencies shall be resolved to the satisfaction of the  
25 chartering authority.

26 (J) The procedures by which pupils can be suspended or  
27 expelled.

28 (K) The manner by which staff members of the charter schools  
29 will be covered by the State Teachers' Retirement System, the  
30 Public Employees' Retirement System, or federal social security.

31 (L) The public school attendance alternatives for pupils residing  
32 within the school district who choose not to attend charter schools.

33 (M) A description of the rights of ~~any~~ *an* employee of the school  
34 district upon leaving the employment of the school district to work  
35 in a charter school, and of any rights of return to the school district  
36 after employment at a charter school.

37 (N) The procedures to be followed by the charter school and  
38 the entity granting the charter to resolve disputes relating to  
39 provisions of the charter.

1 (O) A declaration *of* whether or not the charter school shall be  
2 deemed the exclusive public school employer of the employees of  
3 the charter school for purposes of Chapter 10.7 (commencing with  
4 Section 3540) of Division 4 of Title 1 of the Government Code.

5 (P) A description of the procedures to be used if the charter  
6 school closes. The procedures shall ensure a final audit of the  
7 *charter* school to determine the disposition of all assets and  
8 liabilities of the charter school, including plans for disposing of  
9 any net assets and for the maintenance and transfer of pupil records.

10 (c) (1) Charter schools shall meet all statewide standards and  
11 conduct the pupil assessments required pursuant to Sections 60605  
12 and 60851 and any other statewide standards authorized in statute  
13 or pupil assessments applicable to pupils in noncharter public  
14 schools.

15 (2) Charter schools shall, on a regular basis, consult with their  
16 parents, legal guardians, and teachers regarding the *charter* school's  
17 educational programs.

18 (d) (1) In addition to any other requirement imposed under this  
19 part, a charter school shall be nonsectarian in its programs,  
20 admission policies, employment practices, and all other operations,  
21 shall not charge tuition, and shall not discriminate against ~~any~~ *a*  
22 pupil on the basis of the characteristics listed in Section 220. Except  
23 as provided in paragraph (2), admission to a charter school shall  
24 not be determined according to the place of residence of the pupil,  
25 or of his or her parent or legal guardian, within this state, except  
26 that an existing public school converting partially or entirely to a  
27 charter school under this part shall adopt and maintain a policy  
28 giving admission preference to pupils who reside within the former  
29 attendance area of that public school.

30 (2) (A) A charter school shall admit all pupils who wish to  
31 attend the *charter* school.

32 (B) If the number of pupils who wish to attend the charter school  
33 exceeds the *charter* school's capacity, attendance, except for  
34 existing pupils of the charter school, shall be determined by a  
35 public random drawing. Preference shall be extended to pupils  
36 currently attending the charter school and pupils who reside in the  
37 *school* district except as provided for in Section 47614.5. Other  
38 preferences may be permitted by the chartering authority on an  
39 individual school basis and only if consistent with the law.

1 (C) In the event of a drawing, the chartering authority shall  
2 make reasonable efforts to accommodate the growth of the charter  
3 school and in no event shall take any action to impede the charter  
4 school from expanding enrollment to meet pupil demand.

5 (3) If a pupil is expelled or leaves the charter school without  
6 graduating or completing the school year for any reason, the charter  
7 school shall notify the superintendent of the school district of the  
8 pupil's last known address within 30 days, and shall, upon request,  
9 provide that school district with a copy of the cumulative record  
10 of the pupil, including a transcript of grades or report card, and  
11 health information. This paragraph applies only to pupils subject  
12 to compulsory full-time education pursuant to Section 48200.

13 (e) The governing board of a school district shall not require  
14 ~~any~~ *an* employee of the school district to be employed in a charter  
15 school.

16 (f) The governing board of a school district shall not require  
17 ~~any~~ *a* pupil enrolled in the school district to attend a charter school.

18 (g) The governing board of a school district shall require that  
19 the petitioner or petitioners provide information regarding the  
20 proposed operation and potential effects of the *charter* school,  
21 including, but not limited to, the facilities to be used by the *charter*  
22 school, the manner in which administrative services of the *charter*  
23 school are to be provided, and potential civil liability effects, if  
24 any, upon the *charter* school and upon the school district. The  
25 description of the facilities to be used by the charter school shall  
26 specify where the *charter* school intends to locate. The petitioner  
27 or petitioners ~~shall~~ also *shall* be required to provide financial  
28 statements that include a proposed first-year operational budget,  
29 including startup costs, and cashflow and financial projections for  
30 the first three years of operation.

31 (h) In reviewing petitions for the establishment of charter  
32 schools within the school district, the governing board of the school  
33 district shall give preference to petitions that demonstrate the  
34 capability to provide comprehensive learning experiences to pupils  
35 identified by the petitioner or petitioners as academically low  
36 achieving pursuant to the standards established by the department  
37 under Section 54032, as it read before July 19, 2006.

38 (i) Upon the approval of the petition by the governing board of  
39 the school district, the petitioner or petitioners shall provide written  
40 notice of that approval, including a copy of the petition, to the

1 applicable county superintendent of schools, the department, and  
2 the state board.

3 (j) (1) If the governing board of a school district denies a  
4 petition, the petitioner may elect to submit the petition for the  
5 establishment of a charter school to the county board of education.  
6 The county board of education shall review the petition pursuant  
7 to subdivision (b). If the petitioner elects to submit a petition for  
8 establishment of a charter school to the county board of education  
9 and the county board of education denies the petition, the petitioner  
10 may file a petition for establishment of a charter school with the  
11 state board, and the state board may approve the petition, in  
12 accordance with subdivision (b). A charter school that receives  
13 approval of its petition from a county board of education or from  
14 the state board on appeal shall be subject to the same requirements  
15 concerning geographic location to which it would otherwise be  
16 subject if it received approval from the entity to which it originally  
17 submitted its petition. A charter petition that is submitted to either  
18 a county board of education or to the state board shall meet all  
19 otherwise applicable petition requirements, including the  
20 identification of the proposed site or sites where the charter school  
21 will operate.

22 (2) In assuming its role as a chartering agency, the state board  
23 shall develop criteria to be used for the review and approval of  
24 charter school petitions presented to the state board. The criteria  
25 shall address all elements required for charter approval, as  
26 identified in subdivision ~~(b)~~ (b), and shall define “reasonably  
27 ~~comprehensive~~” *comprehensive*,” as used in paragraph (5) of  
28 subdivision ~~(b)~~ (b), in a way that is consistent with the intent of  
29 this part. Upon satisfactory completion of the criteria, the state  
30 board shall adopt the criteria on or before June 30, 2001.

31 (3) A charter school for which a charter is granted by either the  
32 county board of education or the state board based on an appeal  
33 pursuant to this subdivision shall qualify fully as a charter school  
34 for all funding and other purposes of this part.

35 (4) If either the county board of education or the state board  
36 fails to act on a petition within 120 days of receipt, the decision  
37 of the governing board of the school district to deny ~~a~~ *the* petition  
38 ~~shall, thereafter,~~ *shall* be subject to judicial review.

39 (5) The state board shall adopt regulations implementing this  
40 subdivision.

1 (6) Upon the approval of the petition by the county board of  
2 education, the petitioner or petitioners shall provide written notice  
3 of that approval, including a copy of the ~~petition~~ *petition*, to the  
4 department and the state board.

5 (k) (1) The state board may, by mutual agreement, designate  
6 its supervisorial and oversight responsibilities for a charter school  
7 approved by the state board to any local educational agency in the  
8 county in which the charter school is located or to the governing  
9 board of the school district that first denied the petition.

10 (2) The designated local educational agency shall have all  
11 monitoring and supervising authority of a chartering agency,  
12 including, but not limited to, powers and duties set forth in Section  
13 47607, except the power of revocation, which shall remain with  
14 the state board.

15 (3) A charter school that is granted its charter through an appeal  
16 to the state board and elects to seek renewal of its charter shall,  
17 before expiration of the charter, submit its petition for renewal to  
18 the governing board of the school district that initially denied the  
19 charter. If the governing board of the school district denies the  
20 *charter* school's petition for renewal, the *charter* school may  
21 petition the state board for renewal of its charter.

22 (l) Teachers in charter schools shall hold a Commission on  
23 Teacher Credentialing certificate, permit, or other document  
24 equivalent to that which a teacher in other public schools would  
25 be required to hold. These documents shall be maintained on file  
26 at the charter school and are subject to periodic inspection by the  
27 chartering authority. It is the intent of the Legislature that charter  
28 schools be given flexibility with regard to noncore, noncollege  
29 preparatory courses.

30 (m) A charter school shall transmit a copy of its annual,  
31 independent financial audit report for the preceding fiscal year, as  
32 described in subparagraph (I) of paragraph (5) of subdivision (b),  
33 to its chartering entity, the Controller, the county superintendent  
34 of schools of the county in which the charter school is sited, unless  
35 the county board of education of the county in which the charter  
36 school is sited is the chartering entity, and the department by  
37 December 15 of each year. This subdivision does not apply if the  
38 audit of the charter school is encompassed in the audit of the  
39 chartering entity pursuant to Section 41020.

1     SEC. 2. *Section 47605.6 of the Education Code is amended to*  
2     *read:*

3     47605.6. (a) (1) In addition to the authority provided by  
4     Section 47605.5, a county board of education may also approve a  
5     petition for the operation of a charter school that operates at one  
6     or more sites within the geographic boundaries of the county and  
7     that provides instructional services that are not generally provided  
8     by a county office of education. A county board of education may  
9     approve a countywide charter only if it finds, in addition to the  
10    other requirements of this section, that the educational services to  
11    be provided by the charter school will offer services to a pupil  
12    population that will benefit from those services and that cannot be  
13    served as well by a charter school that operates in only one school  
14    district in the county. A petition for the establishment of a  
15    countywide charter school pursuant to this subdivision may be  
16    circulated throughout the county by any one or more persons  
17    seeking to establish the charter school. The petition may be  
18    submitted to the county board of education for review after either  
19    of the following conditions is met:

20    (A) The petition is signed by a number of parents or guardians  
21    of pupils residing within the county that is equivalent to at least  
22    one-half of the number of pupils that the charter school estimates  
23    will enroll in the *charter* school for its first year of operation and  
24    each of the school districts where the charter school petitioner  
25    proposes to operate a facility has received at least 30 days' notice  
26    of the petitioner's intent to operate a *charter* school pursuant to  
27    this section.

28    (B) The petition is signed by a number of teachers that is  
29    equivalent to at least one-half of the number of teachers that the  
30    charter school estimates will be employed at the *charter* school  
31    during its first year of operation and each of the school districts  
32    where the charter school petitioner proposes to operate a facility  
33    has received at least 30 days' notice of the petitioner's intent to  
34    operate a *charter* school pursuant to this section.

35    (2) An existing public school may not be converted to a charter  
36    school in accordance with this section.

37    (3) After receiving approval of its petition, a charter school that  
38    proposes to establish operations at additional sites within the  
39    geographic boundaries of the county board of education shall notify  
40    the school districts where those sites will be located. The charter

1 school shall also request a material revision of its charter by the  
2 county board of education that approved its charter and the county  
3 board of education shall consider whether to approve those  
4 additional locations at an open, public meeting, held no sooner  
5 than 30 days following notification of the school districts where  
6 the sites will be located. If approved, the location of the approved  
7 sites shall be a material revision of the *charter* school's approved  
8 charter.

9 (4) A petition shall include a prominent statement indicating  
10 that a signature on the petition means that the parent or guardian  
11 is meaningfully interested in having his or her child or ward attend  
12 the charter school, or in the case of a teacher's signature, means  
13 that the teacher is meaningfully interested in teaching at the charter  
14 school. The proposed charter shall be attached to the petition.

15 (b) No later than 60 days after receiving a petition, in accordance  
16 with subdivision (a), the county board of education shall hold a  
17 public hearing on the provisions of the charter, at which time the  
18 county board of education shall ~~consider~~ *consider*: (A) the level  
19 of support for the petition by teachers, parents or guardians, and  
20 the school districts where the charter school petitioner proposes  
21 to place school ~~facilities~~ *facilities*, (B) *a report assessing whether*  
22 *county office of education staff has the capacity to conduct*  
23 *oversight of the charter school described in the petition, and (C)*  
24 *a report of the anticipated financial and educational impact on*  
25 *the other schools that the governing board of a school district has*  
26 *oversight obligations for*. Following review of the petition *and the*  
27 *reports* and *after* the public hearing, the county board of education  
28 shall either grant or deny the charter within 90 days of receipt of  
29 the petition. However, this date may be extended by an additional  
30 30 days if both parties agree to the extension. A county board of  
31 education may impose any additional requirements beyond those  
32 required by this section that it considers necessary for the sound  
33 operation of a countywide charter school. A county board of  
34 education may grant a charter for the operation of a *charter* school  
35 under this part only if the *county board of education* is satisfied  
36 that granting the charter is consistent with sound educational  
37 practice and that the charter school has reasonable justification for  
38 why it could not be established by petition to a school district  
39 pursuant to Section 47605. The county board of education shall

1 deny a petition for the establishment of a charter school if the  
2 *county board of education* finds one or more of the following:

3 (1) The charter school presents an unsound educational program  
4 for the pupils to be enrolled in the charter school.

5 (2) The petitioners are demonstrably unlikely to successfully  
6 implement the program set forth in the petition.

7 (3) The petition does not contain the number of signatures  
8 required by subdivision (a).

9 (4) The petition does not contain an affirmation of each of the  
10 conditions described in subdivision (d).

11 (5) *The charter school would have a negative fiscal impact on*  
12 *a school district. For purposes of this paragraph, the finding that*  
13 *a charter school would have a negative fiscal impact on a school*  
14 *district shall only be established, and shall be deemed to be*  
15 *established, if any of the following conditions are met:*

16 (A) *The school district has received a negative financial*  
17 *certification pursuant to Section 42131.*

18 (B) *The school district has received an emergency*  
19 *apportionment or loan and is operating under the oversight of a*  
20 *state-appointed administrator or trustee pursuant to Article 2*  
21 *(commencing with Section 41320) of, or Article 2.5 (commencing*  
22 *with Section 41325) of, Chapter 3 of Part 24 of Division 3.*

23 (C) *The school district, due to declining enrollment of pupils,*  
24 *is in the process of closing a school that the charter petition has*  
25 *identified as a proposed schoolsite for the charter school and the*  
26 *school district has received a qualified financial certification*  
27 *pursuant to Section 42131 or would receive a qualified financial*  
28 *certification pursuant to Section 42131 if the charter petition is*  
29 *approved.*

30 ~~(5)~~

31 (6) The petition does not contain reasonably comprehensive  
32 descriptions of all of the following:

33 (A) (i) A description of the educational program of the *charter*  
34 school, designed, among other things, to identify those pupils  
35 whom the *charter* school is attempting to educate, what it means  
36 to be an “educated person” in the 21st century, and how learning  
37 best occurs. The goals identified in that program shall include the  
38 objective of enabling pupils to become self-motivated, competent,  
39 and lifelong learners.

(ii) A description, for the charter school, of annual goals, for all pupils and for each subgroup of pupils identified pursuant to Section 52052, to be achieved in the state priorities, as described in subdivision (d) of Section 52060, that apply for the grade levels served, or the nature of the program operated, by the charter school, and specific annual actions to achieve those goals. A charter petition may identify additional school priorities, the goals for the school priorities, and the specific annual actions to achieve those goals.

(iii) If the proposed charter school will enroll high school pupils, a description of the manner in which the charter school will inform parents regarding the transferability of courses to other public high schools. Courses offered by the charter school that are accredited by the Western Association of Schools and Colleges may be considered to be transferable to other public high schools.

(iv) If the proposed charter school will enroll high school pupils, information as to the manner in which the charter school will inform parents as to whether each individual course offered by the charter school meets college entrance requirements. Courses approved by the University of California or the California State University as satisfying their prerequisites for admission may be considered as meeting college entrance requirements for purposes of this clause.

(B) The measurable pupil outcomes identified for use by the charter school. “Pupil outcomes,” for purposes of this part, means the extent to which all pupils of the *charter* school demonstrate that they have attained the skills, knowledge, and aptitudes specified as goals in the *charter* school’s educational program. Pupil outcomes shall include outcomes that address increases in pupil academic achievement both schoolwide and for all groups of pupils served by the charter school, as that term is defined in subparagraph (B) of paragraph (3) of subdivision (a) of Section 47607. The pupil outcomes shall align with the state priorities, as described in subdivision (d) of Section 52060, that apply for the grade levels served, or the nature of the program operated, by the charter school.

(C) The method by which pupil progress in meeting those pupil outcomes is to be measured. To the extent practicable, the method for measuring pupil outcomes for state priorities shall be consistent

1 with the way information is reported on a school accountability  
2 report card.

3 (D) The location of each charter school facility that the petitioner  
4 proposes to operate.

5 (E) The governance structure of the *charter* school, including,  
6 but not limited to, the process to be followed by the *charter* school  
7 to ensure parental involvement.

8 (F) The qualifications to be met by individuals to be employed  
9 by the *charter* school.

10 (G) The procedures that the *charter* school will follow to ensure  
11 the health and safety of pupils and staff. These procedures shall  
12 include the requirement that each employee of the *charter* school  
13 furnish ~~the school~~ *it* with a criminal record summary as described  
14 in Section 44237.

15 (H) The means by which the *charter* school will achieve a racial  
16 and ethnic balance among its pupils that is reflective of the general  
17 population residing within the territorial jurisdiction of the ~~school~~  
18 ~~district~~ *county board of education* to which the charter petition is  
19 submitted.

20 (I) The manner in which annual, independent, financial audits  
21 shall be conducted, in accordance with regulations established by  
22 the state board, and the manner in which audit exceptions and  
23 deficiencies shall be resolved.

24 (J) The procedures by which pupils can be suspended or  
25 expelled.

26 (K) The manner by which staff members of the charter schools  
27 will be covered by the State Teachers' Retirement System, the  
28 Public Employees' Retirement System, or federal social security.

29 (L) The procedures to be followed by the charter school and the  
30 county board of education to resolve disputes relating to provisions  
31 of the charter.

32 (M) A declaration *of* whether or not the charter school shall be  
33 deemed the exclusive public school employer of the employees of  
34 the charter school for purposes of the Educational Employment  
35 Relations Act (Chapter 10.7 (commencing with Section 3540) of  
36 Division 4 of Title 1 of the Government Code).

37 (N) Admission requirements of the charter school, if applicable.

38 (O) The public school attendance alternatives for pupils residing  
39 within the county who choose not to attend the charter school.

(P) A description of the rights of an employee of the county office of education, upon leaving the employment of the county office of education, to be employed by the charter school, and a description of any rights of return to the county office of education that an employee may have upon leaving the employ of the charter school.

(Q) A description of the procedures to be used if the charter school closes. The procedures shall ensure a final audit of the *charter* school to determine the disposition of all assets and liabilities of the charter school, including plans for disposing of any net assets and for the maintenance and transfer of public records.

~~(6)~~

(7) Any other basis that the county board of education finds justifies the denial of the petition.

(c) A county board of education that approves a petition for the operation of a countywide charter may, as a condition of charter approval, enter into an agreement with a third party, at the expense of the charter school, to oversee, monitor, and report to the county board of education on the operations of the charter school. The county board of education may prescribe the aspects of the charter school's operations to be monitored by the third party and may prescribe appropriate requirements regarding the reporting of information concerning the operations of the charter school to the county board of education.

(d) (1) Charter schools shall meet all statewide standards and conduct the pupil assessments required pursuant to Section 60605 and any other statewide standards authorized in statute or pupil assessments applicable to pupils in noncharter public schools.

(2) Charter schools shall on a regular basis consult with their parents and teachers regarding the school's educational programs.

(e) (1) In addition to any other requirement imposed under this part, a charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations, shall not charge tuition, and shall not discriminate against ~~any a~~ pupil on the basis of ethnicity, national origin, gender, gender identity, gender expression, or disability. Except as provided in paragraph (2), admission to a charter school shall not be determined according to the place of residence of the pupil, or of his or her parent or guardian, within this state.

1 (2) (A) A charter school shall admit all pupils who wish to  
2 attend the *charter* school.

3 (B) If the number of pupils who wish to attend the charter school  
4 exceeds the *charter* school's capacity, attendance, except for  
5 existing pupils of the charter school, shall be determined by a  
6 public random drawing. Preference shall be extended to pupils  
7 currently attending the charter school and pupils who reside in the  
8 county except as provided for in Section 47614.5. Other preferences  
9 may be permitted by the chartering authority on an individual  
10 school basis and only if consistent with the law.

11 (C) In the event of a drawing, the county board of education  
12 shall make reasonable efforts to accommodate the growth of the  
13 charter school and in no event shall take any action to impede the  
14 charter school from expanding enrollment to meet pupil demand.

15 (f) The county board of education shall not require ~~any~~ *an*  
16 employee of the county or a school district to be employed in a  
17 charter school.

18 (g) The county board of education shall not require ~~any~~ *a* pupil  
19 enrolled in a county program to attend a charter school.

20 (h) The county board of education shall require that the  
21 petitioner or petitioners provide information regarding the proposed  
22 operation and potential effects of the *charter* school, including,  
23 but not limited to, the facilities to be used by the *charter* school,  
24 the manner in which administrative services of the *charter* school  
25 are to be provided, and potential civil liability effects, if any, upon  
26 the *charter* school, any school district where the charter school  
27 may operate, and upon the county board of education. The  
28 petitioner or petitioners ~~shall~~ also *shall* be required to provide  
29 financial statements that include a proposed first-year operational  
30 budget, including startup costs, and cashflow and financial  
31 projections for the first three years of operation.

32 (i) In reviewing petitions for the establishment of charter schools  
33 within the county, the county board of education shall give  
34 preference to petitions that demonstrate the capability to provide  
35 comprehensive learning experiences to pupils identified by the  
36 petitioner or petitioners as academically low achieving pursuant  
37 to the standards established by the department under Section 54032,  
38 as it read before July 19, 2006.

39 (j) Upon the approval of the petition by the county board of  
40 education, the petitioner or petitioners shall provide written notice

1 of that approval, including a copy of the petition, to the school  
2 districts within the county, the Superintendent, and ~~to~~ the state  
3 board.

4 (k) If a county board of education denies a petition, the petitioner  
5 may not elect to submit the petition for the establishment of the  
6 charter school to the state board.

7 (l) Teachers in charter schools shall be required to hold a  
8 Commission on Teacher Credentialing certificate, permit, or other  
9 document equivalent to that which a teacher in other public schools  
10 would be required to hold. These documents shall be maintained  
11 on file at the charter school and shall be subject to periodic  
12 inspection by the chartering authority.

13 (m) A charter school shall transmit a copy of its annual,  
14 independent, financial audit report for the preceding fiscal year,  
15 as described in subparagraph (I) of paragraph (5) of subdivision  
16 (b), to the county office of education, the Controller, and the  
17 department by December 15 of each year. This subdivision shall  
18 not apply if the audit of the charter school is encompassed in the  
19 audit of the chartering entity pursuant to Section 41020.

20 *SEC. 3. Section 20110 of the Public Contract Code is amended*  
21 *to read:*

22 20110. (a) The provisions of this part shall apply to contracts  
23 awarded by school districts subject to Part 21 (commencing with  
24 Section 35000) of Division 3 of Title 2 of the Education Code.

25 (b) *The provisions of this part shall also apply to contracts*  
26 *awarded by a charter school established pursuant to Part 26.8*  
27 *(commencing with Section 47600) of Division 4 of Title 2 of the*  
28 *Education Code.*

29 (c) (1) *For purposes of this part, a charter school shall be*  
30 *deemed a school district and the governing body of a charter*  
31 *school shall be deemed the governing board of a school district.*

32 (2) *For purposes of this part, a reference to a school district or*  
33 *the governing board of a school district shall be deemed to also*  
34 *reference a charter school or the governing body of a charter*  
35 *school, as applicable.*

36 *SEC. 4. If the Commission on State Mandates determines that*  
37 *this act contains costs mandated by the state, reimbursement to*  
38 *local agencies and school districts for those costs shall be made*  
39 *pursuant to Part 7 (commencing with Section 17500) of Division*  
40 *4 of Title 2 of the Government Code.*

1 ~~SECTION 1. Section 41010 of the Education Code is amended~~  
2 ~~to read:~~

3 ~~41010. The accounting system used to record the financial~~  
4 ~~affairs of a school district shall be in accordance with the~~  
5 ~~definitions, instructions, and procedures published in the California~~  
6 ~~School Accounting Manual as approved by the state board and~~  
7 ~~furnished by the Superintendent. No accounting manual approved~~  
8 ~~shall expressly or by implication affect the content of any~~  
9 ~~educational program or objective, except as otherwise specifically~~  
10 ~~provided for by this code. The Legislature hereby finds that such~~  
11 ~~content shall be best determined by those involved in the~~  
12 ~~administration of educational programs, including governing boards~~  
13 ~~of school districts, local administrators, teachers, pupils, and~~  
14 ~~parents.~~